

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: : CHAPTER 7
: CASE NO. 17-54115-SMS
ALL STAR HEALTH CARE, INC. A, :
GEORGIA CORPORATION, :
: Debtor. :
: :
:

**FIRST AND FINAL APPLICATION FOR ALLOWANCE OF
COMPENSATION OF HAYS FINANCIAL CONSULTING, LLC, AS ACCOUNTANTS
TO THE CHAPTER 7 TRUSTEE**

COMES NOW Hays Financial Consulting, LLC (“**HFC**” or “**Applicant**”), accountants to S. Gregory Hays, Chapter 7 Trustee (“**Trustee**”) for the above-styled case, and, pursuant to 11 U.S.C. § 330 and Bankruptcy Rule 2016, files this first and final application (“**Application**”) seeking final allowance of compensation in the amount of \$6,687.50 and reimbursement of expenses in the amount of \$1,060.20 for the period from April 3, 2017 through and including September 17, 2020 (the “**Application Period**”). In support hereof, Applicant shows as follows:

1.

Debtor initiated this case by filing a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code on March 6, 2017 (the “Petition Date”).

2.

Shortly thereafter, the United States Trustee appointed Trustee as the Chapter 7 Trustee in this case.

3.

On April 6, 2017, Trustee filed an Application to Employ Hays Financial Consulting, LLC as Accountants to the Chapter 7 Trustee [Doc. No. 13], which was approved by an Order entered on April 12, 2017 [Doc. No. 14].

4.

Pursuant to this Application, Applicant seeks final approval, allowance, and payment pursuant to §§ 330 and 331 of the Bankruptcy Code of compensation for services rendered as accountants for the Trustee incurred in connection therewith during the Application Period.

5.

For the period covered by this application, HFC devoted a total of not less than 28.5 hours in rendering services as accountants to the Trustee. Applicant has not previously been allowed or paid any compensation for the period covered by this application. Summaries of hours spent by subject area and by professional are attached as Exhibit "A".

6.

The Services of the Applicant during the Application Period are summarized by category below.

- (a) **Accounting.** This category includes efforts of the Applicant in obtaining the Debtor's books and records located at from the Debtor's office.
- (b) **Asset Analysis & Recovery – Accounts Receivable.** This category involves time by Applicant pursuing the outstanding receivables owed by the Department of Veterans Affairs, Georgia Department of Community Affairs and other receivables including contacting same and setting up online access to each.

(c) **Fee / Employment Applications & Objection.** This category includes the Applicants efforts to prepare this first and final fee application.

(d) **Tax Issues.** This category includes activity by the Applicant including contacting the Debtor representative re prior year tax returns, determine information necessary for preparation of returns, contacting taxing authority, arranging for the preparation of final W-2s and verifying claims asserted by the IRS and offset by amounts owed by Department of Veterans Affairs.

7.

Applicant shows that all services were necessary to assist the Trustee in the proper and effective administration of the Debtor's estate and the exercise of the powers of the Trustee. Applicant shows that the fair and reasonable value of such services, and the costs of comparable services in a case not proceeding under the Bankruptcy Code, is not less than \$6,687.50, based primarily on the normal hourly rates of providing such services and calculated using the "lodestar" calculation of reasonable hourly rates multiplied by the number of hours actually expended, as summarized on Exhibit "A". The time expended and services performed by HFC are duly itemized and set forth in Exhibit "B" attached hereto and by reference incorporated herein and made part of this Application.

8.

Applicant shows that all services for which compensation during this Application Period is requested have been actually provided to the Debtors and/or the Trustee, and to no other parties, and have been necessary for the proper and effective administration of this case and for the benefit of the Debtor's estate and its creditors.

9.

Applicant's employees have substantial experience and expertise in providing financial and accounting services in bankruptcy cases and to fiduciaries in such cases. Applicant's employee hourly rates are fair and reasonable and the same as the cost for such services other than in a bankruptcy case.

10.

The compensation requested is allowable pursuant to the twelve factor test (the "Johnson Factors") set forth in Johnson v. Georgia Highway Express, Inc., 488 F.2d 714, 717-19 (5th Cir. 1974), as modified and made applicable to bankruptcy cases by the Eleventh Circuit Court of Appeals in Grant v. George Schumann Tire & Battery Co., 908 F.2d 874 (11th Cir. 1990). The Johnson Factors and their applicability in these cases are as follows:

- (a) Time and Labor Required: HFC expended 28.5 hours in performing services as accountants to the Trustee during the Application Period. The billing rates of the various professionals and other personnel who have performed services for the Committee are detailed in HFC's billing statements, which are attached hereto as Exhibit "A".
- (b) Novelty and Difficulty of Questions Presented: The work performed by HFC has involved issues of varying complexity, as set forth in substantial detail in the billing statements attached to this Application.
- (c) Skill Requisite to Perform Professional Services: The Trustee selected HFC as its accountants because HFC's professionals possess substantial expertise and experience in bankruptcy and related fields and are well-qualified to perform professional services.

(d) Preclusion of Other Employment Due to Acceptance of the Cases:

Professionals of HFC have devoted time and resources to these cases, to the possible preclusion of involvement in other matters.

(e) Customary Fees for the Type of Services Rendered: HFC believes that the fees requested and the hourly rates set forth herein are consistent fees typically charged for the type of services rendered in cases of this magnitude and complexity. The hourly rates charged by HFC in this Application are comparable to the rates that HFC would charge to a non-bankruptcy client for work of a similar nature and complexity.

(f) Whether the Fee is Fixed or Contingent: Pursuant to section 330(a) of the Bankruptcy Code, HFC's fee is subject to Court approval, and is primarily based upon hourly rates and does not involve any fixed or flat fees. Compensation is "contingent" only in the sense that there are risks of non-allowance or non-payment.

(g) Time Limitations Imposed by the Client or Other Circumstances: Certain tax filing deadlines have been applicable herein.

(h) The Amount Involved and Results Obtained: HFC shows that the Trustee, with the assistance of all professionals involved, has achieved a successful result in this case.

(i) The Experience, Reputation, and Ability of the Professional: HFC has extensive experience in bankruptcy matters. Its reputation and ability are well known to the Court.

(j) Undesirability of the Case: This factor is inapplicable to the present Chapter 7 cases.

(k) Nature and Length of Professional Relationship with the Client: HFC was employed by the Trustee as his accountants in this bankruptcy case. Thus, the professional relationship is an ongoing one.

(l) Awards in Similar Cases: HFC is regularly awarded compensation in Chapter 7 and Chapter 11 cases on the same basis as requested herein.

11.

In connection with the provision of services as set forth herein above, Applicant has incurred expenses in the amount of \$1,060.20. Expenses are summarized on **Exhibit "A"** and itemized on **Exhibit "C"** attached hereto and incorporated herein. Applicant seeks allowance of said expenses as reasonable and necessarily incurred.

12.

No agreement or understanding exists between HFC and any other person for the sharing of compensation to be received for services rendered in connection with this case. All services for which compensation is requested were performed for the Trustee and the estate and not on behalf of any committee, creditor or any other person or persons.

13.

Based on the foregoing, Applicant seeks final allowance of \$6,687.50 as compensation for the period covered by this Application. Applicant shows that compensation in such amount is reasonable compensation based on the nature, the extent, and the value of services rendered, the time spent to provide such services, and the cost of comparable services other than in a bankruptcy case.

14.

Attached hereto as Exhibit "D" is a Declaration of S. Gregory Hays, Managing Principal of Applicant, confirming the facts set out in the Application and exhibits hereto.

WHEREFORE, Applicant respectfully prays:

- a. That Applicant be allowed final compensation in the amount of \$6,687.50 as and for the reasonable value of services rendered in connection with its retention as accountants for the Trustee for the Application Period;
- b. That Applicant be allowed the sum of \$1,060.20 for the reimbursement of out-of-pocket expenses incurred in this case during the Application Period;
- c. that the Court authorize payment of amounts allowed as deemed appropriate and equitable by the Court from the fund available in the bankruptcy estate; and
- d. that the Court grant such other and further relief as may be just and proper.

Respectfully submitted, this 17th day of September, 2020.

/s/ S. Gregory Hays
S. Gregory Hays

Hays Financial Consulting, LLC
2964 Peachtree Rd, NW Ste. 555
Atlanta, Georgia 30305
(404) 926-0060

Exhibit A

All Star Health Care, Inc.
Case # 17-54115-BEM

For the Period from 4/3/2017 to 9/17/2020

September 17, 2020

Professional Services

	Hours	Amount
Accounting	15.20	2,822.50
Asset Analysis & Recovery - Accounts Receivable	8.00	2,275.00
Fee / Employment Applications & Objection	1.50	450.00
Tax Issues	3.80	1,140.00
For professional services rendered	28.50	\$6,687.50

Additional Charges :

Document Storage	960.00
Expense Reports	69.61
Federal Express	23.15
Postage	7.44
Total costs	\$1,060.20

Total amount of this bill **\$7,747.70**

Hays Financial Consulting, LLC

2964 Peachtree Road
Suite 555
Atlanta, GA 30305-2153

All Star Health Care, Inc.
Case # 17-54115-BEM

For the Period from 4/3/2017 to 9/17/2020

September 17, 2020

Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
Dwaine A. Butler	13.50	2,187.50
James R. Jennings, CPA	162.04/hr	30.00
Scott S. Askue	0.10 300.00/hr	4,470.00
For professional services rendered	28.50	\$6,687.50

Actual Blended Rate/Hour

Capped Blended Rate/Hour

Adjustment to Invoice

Additional Charges :

Document Storage	960.00
Expense Reports	69.61
Federal Express	23.15
Postage	7.44
Total costs	\$1,060.20

Total amount of this bill	\$7,747.70
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Exhibit B

All Star Health Care, Inc.
Case # 17-54115-BEM

For the Period from 4/3/2017 to 9/17/2020

September 17, 2020

Professional Services

			Hrs/Rate	Amount
<u>Accounting</u>				
4/7/2017	SSA	Drafted letter to SunTrust Bank regarding freezing bank accounts and online access to same.	0.90 300.00/hr	270.00
4/10/2017	DAB	Traveled to Kennesaw, Ga. Traveled from Kennesaw, Ga. to Marietta business location. Billed at one-half rate.	1.00 87.50/hr	87.50
	DAB	Met with Ashley Davis at the Debtor's business and document storage location. Reviewed location and recorded contents. Retrieved and reviewed mailed correspondence. Reviewed and inspected the business location for determination of contents and business records. Met with landlord and discussed lease and abandonment of remaining contents.	3.00 175.00/hr	525.00
4/13/2017	DAB	Drafted email to Scott Askue and the Trustee regarding inspection of business location, document storage location, and correspondence with Debtor. Reviewed mailed correspondence and handled as appropriate. Downloaded photographs of contents and loaded to the directory.	0.80 175.00/hr	140.00
4/18/2017	SSA	Reviewed produced documents. Prepared analysis of IRS levies.	1.00 300.00/hr	300.00
4/24/2017	SSA	Reviewed for status of online access to bank statements. Drafted email to the Trustee regarding same.	0.30 300.00/hr	90.00
5/2/2017	SSA	Telephone call from Suntrust Bank regarding access to bank records.	0.30 300.00/hr	90.00
5/22/2017	SSA	Drafted email to banker at Suntrust regarding status of accounts.	0.20 300.00/hr	60.00
8/3/2017	DAB	Telephone call to Ashley Davis regarding coordination of removal of business records from the storage location.	0.20 175.00/hr	35.00
8/4/2017	DAB	Reviewed and responded to emails from Scott Askue regarding the retrieval of business records from storage location. Telephone call to Ashley Davis regarding same. Drafted email to Mrs. Davis regarding same.	0.20 175.00/hr	35.00
8/14/2017	DAB	Reviewed and responded to emails from Ashley Davis regarding coordination of document removal and transfer.	0.20 175.00/hr	35.00
8/15/2017	DAB	Emails to and from Ashley Davis regarding removal and storage of business records. Discussed same with Scott Askue.	0.20 175.00/hr	35.00
8/16/2017	DAB	Reviewed and responded to email from Ashley Davis regarding coordination of business records removal and retention.	0.20 175.00/hr	35.00
8/18/2017	DAB	Correspondence to and from Ashley Davis regarding removal of business records from the storage facility. Prepared for removal.	0.50 175.00/hr	87.50

All Star Health Care, Inc.

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			<u>Hrs/Rate</u>	<u>Amount</u>
8/21/2017	DAB	Reviewed and responded to email from Ashley Davis regarding removal of business records from the storage location.	0.20 175.00/hr	35.00
8/29/2017	DAB	Reviewed and responded to email from Ashley Davis regarding the retrieval of business records.	0.20 175.00/hr	35.00
9/19/2017	DAB	Reviewed email from Scott Askue regarding coordination of document retrieval with Debtor. Telephone call to Ashley Davis regarding same.	0.20 175.00/hr	35.00
9/27/2017	DAB	Reviewed and responded to emails from Ashley Davis regarding coordination of document retrieval and transfer.	0.20 175.00/hr	35.00
9/28/2017	DAB	Traveled to and from Kennesaw, GA. Billed at one-half rate	1.00 87.50/hr	87.50
	DAB	Met with Ashley Davis at the document storage facility to retrieve business records. Loaded records and transported documents to Trustee's secure storage facility. Logged documents into storage database. Discussed issues with Scott Askue regarding document inventory and billing for storage.	2.00 175.00/hr	350.00
10/26/2017	DAB	Drafted email to and reviewed email from Ashley Davis regarding removal of remaining business records from the storage facility.	0.20 175.00/hr	35.00
3/5/2018	DAB	Reviewed and responded to emails from Ashley Davis regarding coordination of document pickup and transfer.	0.20 175.00/hr	35.00
3/9/2018	DAB	Met with Cecil McElroy and Ashley Davis to retrieve and transport the business records. Supervised removal and transport of documents to the storage facility. Assisted with loading of files and secured documents.	2.00 175.00/hr	350.00
Subtotal			15.20	2,822.50

Asset Analysis & Recovery - Accounts Receivable

4/3/2017	SSA	Review file and responded to email from the Trustee regarding medical claim submission. Telephone call to Dan Raskin regarding medical records. Drafted summary of call.	0.60 300.00/hr	180.00
5/23/2017	SSA	Reviewed incoming mail. Set up bank account and updated debtor's banking information in the SAM.gov system for incoming payments from the Veterans Administration. Drafted emails to Ashley Davis regarding same.	2.20 300.00/hr	660.00
6/14/2017	SSA	Drafted email to Dan Raskin regarding status of receivable collections.	0.20 300.00/hr	60.00
6/22/2017	SSA	Reviewed submitted medical claims and pleadings. Drafted email to Community Care regarding processing of same.	0.80 300.00/hr	240.00
6/23/2017	SSA	Drafted email to Chuck Pettit regarding outstanding receivables.	0.20 300.00/hr	60.00
7/7/2017	SSA	Drafted emails to and reviewed emails from Chuck Pettit regarding Medicaid claim.	0.30 300.00/hr	90.00
8/4/2017	SSA	Reviewed, researched and responded to emails regarding payment of Medicaid claims. Drafted email to Ashley Davis regarding same.	0.60 300.00/hr	180.00
8/18/2017	SSA	Drafted email to the enrollment section of the Georgia Department of Community Service regarding status of claim payments.	0.40 300.00/hr	120.00
8/28/2017	SSA	Drafted email to the Georgia Community Health regarding status of payment.	0.30 300.00/hr	90.00

All Star Health Care, Inc.

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			Hrs/Rate	Amount
9/7/2017	SSA	Reviewed file. Researched for proper contact. Drafted email to Taesha Ward with Department of Community Health regarding status of payment.	0.40 300.00/hr	120.00
	SSA	Drafted email to the Georgia Department of Community Services regarding payment of claim.	0.20 300.00/hr	60.00
9/13/2017	SSA	Drafted email to Taesha Ward regarding payment from DCH.	0.20 300.00/hr	60.00
9/14/2017	SSA	Drafted email to enrollment with Dept of Community Health regarding status of payment.	0.30 300.00/hr	90.00
9/20/2017	SSA	Drafted email to Taesha Ward with the State of Georgia Department of Community Health regarding status of Medicaid claims.	0.30 300.00/hr	90.00
2/5/2019	DAB	Reviewed bank statements and transaction records for the determination of specific transfers. Downloaded several bank statements and check copies from accounting software.	1.00 175.00/hr	175.00
		Subtotal		8.00 2,275.00
<u>Fee / Employment Applications & Objection</u>				
9/17/2020	SSA	Drafted final fee application and prepared exhibits for same.	1.50 300.00/hr	450.00
		Subtotal		1.50 450.00
<u>Tax Issues</u>				
4/6/2017	SSA	Discussed tax issues with Jim Jennings. Drafted email to SunTrust regarding access to bank account.	0.70 300.00/hr	210.00
	SSA	Drafted email to Ashley Davis regarding status of 2016 tax return.	0.20 300.00/hr	60.00
4/7/2017	SSA	Drafted email to Ashley Davis regarding 2015 tax return.	0.20 300.00/hr	60.00
4/13/2017	SSA	Drafted email to Ashley Davis regarding the preparation and filing of the 2016 tax returns.	0.30 300.00/hr	90.00
5/2/2017	SSA	Reviewed prior emails and drafted email to Jim Jennings regarding status of tax returns and information for completion of same.	0.30 300.00/hr	90.00
7/7/2017	JRJ	Inquired with Debtor principal regarding status of obtaining 2015 information needed to prepare tax return for All Star Health.	0.10 300.00/hr	30.00
1/25/2018	SSA	Prepared and sent notice to Cobb County Tax Assessor's offer regarding debtor being out of business.	0.30 300.00/hr	90.00
2/6/2018	SSA	Reviewed file and drafted email to Ashley Davis regarding W-2s for year 2017.	0.30 300.00/hr	90.00
3/28/2018	SSA	Reviewed tax issues. Telephone call and emails to ADP regarding payroll reporting and taxes owed. Reviewed IRS notices and claim filed.	1.00 300.00/hr	300.00
3/29/2018	SSA	Telephone call from IRS agent regarding claim and adjusted balance.	0.20 300.00/hr	60.00
10/18/2018	SSA	Telephone call from IRS agent regarding proof of claim and any adjustments for further setoffs from Veterans Administration collections.	0.20 300.00/hr	60.00
		Subtotal		3.80 1,140.00
<u>For professional services rendered</u>				
			28.50	\$6,687.50

Exhibit C

2964 Peachtree Road
Suite 555
Atlanta, GA 30305-2153

All Star Health Care, Inc.
Case # 17-54115-BEM

Accountants to the Trustee

For the Period from 4/3/2017 to 9/17/2020

September 17, 2020

	<u>Amount</u>
Expenses	
4/10/2017 Expense Report	33.59
4/30/2017 Postage	2.68
5/8/2017 Postage-mail forwarding	2.00
5/31/2017 Postage	1.84
7/31/2017 Postage	0.46
9/30/2017 Expense Report	36.02
Document storage	15.00
10/31/2017 Document storage	15.00
11/30/2017 Document storage	15.00
12/31/2017 Document storage	15.00
1/31/2018 Document storage	15.00
Postage	0.46
FedEx	23.15
2/28/2018 Document storage	15.00
3/31/2018 Document storage	30.00
4/30/2018 Document storage	30.00
5/31/2018 Document storage	30.00
6/30/2018 Document storage	30.00
7/31/2018 Document storage	30.00
8/31/2018 Document storage	30.00
9/30/2018 Document storage	30.00
10/31/2018 Document storage	30.00
11/30/2018 Document storage	30.00
12/31/2018 Document storage	30.00
1/31/2019 Document storage	30.00
2/28/2019 Document storage	30.00
3/31/2019 Document storage	30.00
4/30/2019 Document storage	30.00
5/31/2019 Document storage	30.00
6/30/2019 Document storage	30.00
7/31/2019 Document storage	30.00
8/31/2019 Document storage	30.00
9/30/2019 Document storage	30.00
10/31/2019 Document storage	30.00
11/30/2019 Document storage	30.00
12/31/2019 Document storage	30.00
1/31/2020 Document storage	30.00
2/29/2020 Document storage	30.00
3/31/2020 Document storage	30.00
4/30/2020 Document storage	30.00
5/31/2020 Document storage	30.00
7/31/2020 Document storage	30.00
8/31/2020 Document storage	30.00
Subtotal	1,060.20

All Star Health Care, Inc.

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	<u>Amount</u>
Total costs	\$1,060.20

Exhibit D

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: : CHAPTER 7
: CASE NO. 17-54115-SMS
ALL STAR HEALTH CARE, INC. A, :
GEORGIA CORPORATION, :
: Debtor. :
:

DECLARATION

I, S. Gregory Hays, declare under penalty of perjury that:

1. I am the Managing Principal at Hays Financial Consulting, LLC ("HFC") and have knowledge of the facts set forth herein.
2. The facts set out in the foregoing First and Final Application for Allowance of Compensation of Hays Financial Consulting, LLC as Accountants to the Chapter 7 Trustee and in the exhibits attached thereto are true and correct to the best of my knowledge, information and belief. Those facts are known to me personally and by business records of HFC, maintained in the ordinary course of business, including time and reimbursement records made by personnel at HFC.

/s/ S. Gregory Hays
S. Gregory Hays